

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

ORIGINAL

DATE OF LEASE

11/12/2010

LEASE NO.

GS-04B-59099

THIS LEASE, made and entered into this date by and between Western Devcon, Inc.

whose address is 10525 Vista Sorrento Parkway, #110
San Diego, CA 92121- 2747

and whose interest in the property hereinafter described is that of OWNER

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

"1. The Lessor hereby leases to the Government the following described premises:

A total of 63,008 BOMA Office Area Square Feet (63,233 Rentable Square Feet) of office and related space located on the 1st, 2nd and 3rd floors in the building known as Faber Place Executive Office Park located at 3950 Faber Place, North Charleston, South Carolina 29405-8534 as depicted on the demising floor plans labeled Exhibit "A" attached hereto and made a part hereof. There is a total of 264 on site open surface parking spaces available for building tenant use, however only 60 reserved and secured parking spaces are designated specifically for [REDACTED]."

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the fifteen (15) years firm. Term to begin upon substantial completion as defined in Section 5.9 of SFO No. 7SC2082. Term and rent for the first floor will commence upon substantial completion/space acceptance, however the term of the contract will commence upon substantial completion of the entire space. Upon acceptance of the second and third floor space a subsequent SLA will establish the commencement date for floors two and three and the entire space (floors one, two and three) will have a coterminous expiration date."

"3. The Government shall pay the Lessor annual rent for the entire term, monthly, in arrears, as follows

TERM	ANNUAL RENT	MONTHLY RATE
Years 1-15	\$2,883,425.00	\$240,285.42

The above annual rent is inclusive of the annual operating rental rate indicated in Paragraph 15 of this lease contract "

"4. The rental rate is subject to the Government's measurement of plans submitted by the Lessor or a mutual on-site measurement of the space and will be based on the rate, per BOMA rentable square foot (PRSF) as noted above, in accordance with Clause 23 (PAYMENT), GSA Form 3517B, General Clauses. The lease contract and the amount of rent will be adjusted accordingly. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Western Devcon, Inc.
10525 Vista Sorrento Parkway #110

LESSOR

SIGNATURE

[REDACTED SIGNATURE]

NAME OF SIGNER

Michael Ibe

ADDRESS

10525 Vista Sorrento Pkwy Ste 110 San Diego, CA 92121

NAME OF SIGNER

Joe Beauchamp

UNITED STATES OF AMERICA

NAME OF SIGNER

Maria Dent

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

- "5. The DUNS number for Western Devcon, Inc. is 607263159."
- ~~"6. "The Government may terminate this lease in whole or in part at any time after the _____ year by giving at least _____ days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing."~~
- "7. The following are attached and made a part hereof:
- A. SF-2 Portion of the Lease (Page 1)
 - B. Continuation of SF-2, GS-04B-59099 (Pages 2-3)
 - C. Solicitation for Offers 7SC2082 dated May 8, 2009 (Pages 1-50)
 - D. [REDACTED] Facilities Standards dated 2/1/09, Version 2 (Pages 1-161)
 - E. SFO Amendments; No. 1 dated 5/18/09, No. 2 dated 6/3/09, No. 3 dated 9/1/09, No. 4 dated 9/28/09, No. 5 dated 1/5/10 and No. 6 dated 1/28/10
 - F. GSA Form 3517B (rev. 11/05) (Pages 1-33)
 - G. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (Pages 1-7)
 - H. Demising floor plan labeled Exhibit "A", dated 4/27/10
 - I. Test fit layout drawings labeled Exhibit "B", dated 8/11/09
- "8. Lessor shall furnish to the Government, as part of rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with Solicitation for Offers 7SC2082.
 - B. All labor, materials, equipment, design, professional fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas and related facilities ready for occupancy in accordance with the requirements of this lease stated in the Solicitation for Offers 7SC2082, and the Government's Test fit layout drawings dated August 11, 2009, Exhibit "B" attached hereto and made a part hereof. If the delivered quantities of items or revisions to the improvements depicted on the Test fit layout drawings differ from quantities delivered, the Government shall make any upward/downward adjustment to the LUMP SUM Payment amount specified in Paragraphs 10 of this Lease Contract, as stated in Paragraph 3.3., "Tenant Improvement Rental Adjustment (Aug 2008).
 - C. The Government shall issue one Notice to Proceed for the early occupancy and a separate notice to proceed for the remaining square footage. The space shall be built out shall in accordance with the Solicitation of Offers 7SC2082 and Government Approved Design Intent Drawings.
 - D. Early Occupancy of a minimum of 5,000 – 7,000 rentable square feet of the total square footage located on the first floor shall be delivered no later than June 30, 2011 or within 120 days from the Government's issuance of the Notice to Proceed whichever is later. Lease term for early delivery space to be effective upon substantial completion as defined in Section 5.9 of SFO No. 7SC2082.
 - E. Deviations to the approved space layouts furnished by the GSA to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer."
- "9. The rental set forth in Paragraph 3 of this Lease Agreement is based upon the Lessor providing a tenant improvement allowance of \$1,734,201.00 to be amortized through the rent over the firm term of the Lease (180 months) at the rate of 9.0%. Pursuant to this calculation, the portion of the annual rent amortized as annual tenant improvement rental is \$211,073.04 per annum or \$17,589.42 per month. In accordance with Solicitation for Offers 7SC2082 paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly."
- "10. Upon occupancy, the Government shall make a lump sum payment in the amount of \$2,111,737.00 to the Lessor. This amount represents the estimated cost that exceeds the maximum tenant allowance of \$1,734,201.00 as stated in SFO Paragraph 3.2, "Tenant Improvements Included in Offer (Aug 2008)" and is based on the August 11, 2009 test fit as approved on August 17, 2009 by the GSA tenant, and includes utilization of the existing walls. Said payment a will be paid upon substantial completion and acceptance of the space and receipt of proper invoice that will be set forth in subsequent Supplemental Lease Agreements."
- "11. The tenant improvement allowance stated in Paragraph 9 of this Lease Agreement does not include the cost of a generator estimated to cost \$598,000.00. Final costs for additional operating expenses to operate the generator and LUMP SUM payment for the generator shall be accomplished under subsequent Supplemental Lease Agreements."

INITIALS: Md LESSOR & (Signature) GOVT

- "12. The rental set forth in Paragraph 3 of this Lease Agreement includes Building Specific Security Costs of \$397,206.00 to be amortized through the rent over the firm term of the Lease (180 months) at the rate of 9.0%."
- "13. In accordance with Solicitation for Offers 7SC2082 paragraph 4.1, *Measurement of Space*, the common area factor is established as .04% (63,233 RSF / 63,008 USF)."
- "14. In accordance with Solicitation for Offers 7SC2082 paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 74.08% based on Government occupancy of 63,233 rentable square feet and total building area of 85,358 rentable square feet. Percentage of occupancy is subject to revision based on actual measurement of Government occupied space at time of final inspection."
- "15. In accordance with Solicitation for Offers 7SC2082 Paragraph 4.3, *Operating Costs Base*, the operating cost is established as \$470,453.52 per annum or \$7.44 per rentable square foot (per annum, with annual CPI escalations during the lease term. Fuel costs for operating the generator will be billed separately."
- "16. In accordance with Solicitation for Offers 7SC2082 Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$7.46 per ABOA for vacant space."
- "17. In accordance with Solicitation for Offers 7SC2082 Paragraph 4.6, *Overtime Usage*, the cost for overtime utilities beyond the normal hours of operation is established as \$10.00 per hour/per zone beyond the *Normal Hours* (Solicitation for Offers 7SC2082 Paragraph 4.5) of operation of 7:00 AM to 6:00 PM. Areas requiring 24/7 HVAC, the rate is \$10.00 per hour/per zone. Building may have up to 42 zones."
- "18. Cleaning services requiring access to the Government's leased space shall be performed in accordance with Solicitation for Offers 7SC2082 Paragraph 4.8, *Janitorial Services*. Cleaning shall be performed during tenant working hours."
- "19. The Lessor shall meet the requirements of Paragraph 10.13 entitled "[REDACTED] Protection Requirements (Nov 2005) (Building Shell)". The requirement for shatter resistant film is deleted in its entirety."
- "20. In accordance with Solicitation for Offers 7SC2082 paragraph 2.3, *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and CBRE have agreed to a cooperating lease commission of four [REDACTED] percent of the initial ten years of the lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the total of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.3, [REDACTED], which is [REDACTED] of the Commission, will be payable to CBRE. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be a credit to be utilized toward a reduction in annual rental payments and/or free rent during the first year. Terms and conditions for the credit shall be established in subsequent Supplemental Leases."

INITIALS:  LESSOR &  GOVT